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REMARKS

Claims 1-46 were pending in the present application with Claims 7-40 earlier having been withdrawn. By virtue of this response, Claims 1 and 5 have been cancelled, Claims 2, 4, 6, 12-14, and 41-46 have been amended and new independent Claims 47, 48 added. Note that earlier withdrawn Claims 12-14 have been re-entered here due to a change in dependency. Accordingly, Claims 2-4, 6, 12-14 and 41-48 are currently under consideration. Amendment or cancellation of claims is not to be construed as a dedication to the public of any of the subject matter of the claims as previously presented.

Rejections Under 35 USC § 103(a)

Claims 1-6 and 41-46 stand rejected under 35 USC 103(a), as unpatentable over Linnartz, US Patent 6,209,092, in view of Callway et al, US Patent 6,356,704, and the purported Applicant admitted prior art.

The claims here have been amended so that rather than being directed previously as in Claim 1 to "A method of controlling copying of a video signal", instead, Claim 47 recites in the first clause in the body of the claim, "receiving at a cable television or direct broadcast satellite set top box a video signal. .." Hence the present claims are directed to the operation of a set top box (STB) and the set top box itself, see new apparatus Claim 48. This subject matter was indeed contemplated in accordance with the application as filed. See, for instance, original Claim 11 directed to a set top box and original Claim 1 which while not directed specifically to a set top box, does contemplate a method which can be carried out by a set top box. See the Summary at page 4 of the specification:

This disclosure is directed to use of a watermark together with consumer controllable information and a television (or audio only) STB to provide pay-to-tape (or pay-to-record generally). One embodiment uses the existing video line 21 (in NTSC-TV) extended data service or closed caption protocol to hold a ticket (cryptographic value), and a video watermark to jointly control copying a video being provided by a STB. (Emphasis added.)

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There is further disclosure pertaining to the set top box at page 9 beginning line 3 of the specification carrying over to page 12, line 34. See also, Figs. 1C and 1D showing the STB (set top box). In this regard the set top box is not the same as a video recorder since, for instance, as shown in Fig. 1C, video recorder 42 is separate from set top box 38. The set top box, as shown in Fig. 1C, may connect to a video recorder 42 and/or to the television receiver (not shown) as is conventional.

The Examiner cited in his rejection the references Callway and Linnartz in conjunction with what the Examiner regarded as admitted prior art relating to use of video line 21 to carry data such as the extended data service.

However, it is respectfully submitted that none of these, alone or in combination, even with what is well known in the field, would even suggest use of the present system in set top boxes.

First, as to Callway, Callway's disclosure is in the field of computers, rather than merely video devices. The technical problem is stated at Callway at col. 1 beginning line 39:

While Macrovision prevents VCRs coupled to televisions from making quality copies, it does not prevent unauthorized copying when a VCR, or any other video source (including a DVD) player), is coupled to a personal computers ("PC"). As is generally known, a PC may be equipped with an analog video decoder. . .which converts an analog video signal into a digital video data stream. . .Such an analog to digital conversion strips out the Macrovision encoding. As such, a DVD player sourcing the analog video to the PC may have the copyrightable work copied without the Macrovision encoding. . ..

Therefore, a need exists for a method and apparatus that detects the presence of encoded copy protection information embedded in a video data stream <u>such that a PC cannot make quality copies</u> of the video data. (Emphasis added.)

Hence Callway is directed to copy protection in the context of personal computers as illustrated in his Fig. 4 where the illustrated structure is a computer system, see col. 2 line 4 which states "Fig. 4 illustrates a computer system. . ."

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The other reference Linnartz is not directed to a computer system but instead to copy protection in the context of video and audio signals of the type present on a so-called record carrier 11 (such as a CD-ROM) as shown in Linnartz Fig. 1. Note that each of the other Linnartz figures shows a similar record carrier, for instance, 15 on the right hand portion of Fig. 1, 51 in Fig. 5, 66 in Fig. 6, and 41 and 45 in Fig. 4. Therefore, in each case in Linnartz the video is in the form of a DVD/CD being played for instance on a player 12 or recorded by recorder 14 in Linnartz Fig. 1. Similarly, Linnartz Fig. 4 shows the player 42 and the recorder 44. Hence, Linnartz shows in all cases is a recorded video signal or audio signal on a DVD/CD in the context of players and recorders.

Neither Linnartz nor Callway makes any reference to television set top boxes or cable or direct broadcast satellite television. In Callway the source of the signal may be "television" as shown in Fig. 4 left hand side or other video data 18. It appears that the video in this case is sourced by a television set. See Callway col. 2 beginning line 38 "The data stream may be representative of video data 18 or audio data which could be sourced by a television, VCR, DVD player, audio amplifier, etc."

Therefore, new Claim 47 clearly has novelty over both Callway and Linnartz, at least because Claim 47 recites in its first clause "receiving at a cable television or direct braodcast satellite set top box a video signal having an embedded watermark and data in a predetermined video line of a video signal. ..." No such act is suggested in either reference. As pointed out above, Linnartz is only contemplating receiving the video signal, for instance, see his Fig. 1, from the record carrier which is a DVD/CD 11. In Callway the video data 18 is coming from a television set as indicated above or as prerecorded data from a VCR or DVD, see Callway Fig. 1.

Claim 47 further recites in its second clause "selecting at the set top box by a user a subsequent use of the video signal in enabling or not enabling terms of recording;". This reads on, see present Fig. 1C, the consumer selection applied to the conditional access system 36 inside the set top box STB. Thus, in accordance with the present invention the consumer or user selects the nature of the video output from his set top box as either including the ticket T or not including the

ticket T. Without the ticket T the output is typically not copyable (recordable). This is typically the case when the viewer has chosen not to pay for the right to record. As pointed out, at bottom of page 9 of the specification, in an upgraded STB more sophisticated possibilities are available under user control in terms of the nature of the consumer's subsequent use of the signal.

No such activity is contemplated in either Callway or Linnartz. There is no indication of user control over subsequent copy or viewing restrictions in Callway. While Callway does describe copy control at col. 3 beginning line 5 through line 10, there is no indication this has anything to do with a user selection. Apparently it is instead the selection of the content provider.

Linnartz takes the same approach that, while generational copy control is provided, there is no indication this is at the instigation of the user controlling a set top box or any other device.

Apparently instead the Linnartz generational copy control is, as conventional, provided as a matter of routine.

Hence neither reference alone or even in combination with any admitted prior art, describes the method of Claim 47; hence, Claim 47 distinguishes thereover. Claims 2 through 4 previously dependent upon Claim 1 have been amended to be dependent instead upon Claim 47. The same is true of Claims 41, 42 and 45.

Hence these claims are allowable for at least the same reason as base Claim 47.

Claim 48 is directed to the set top box, as was withdrawn Claim 11. However, Claim 48 in addition to subject matter of cancelled Claim 5, also recites subject matter similar to that of Claim 47 in terms of the nature of the conditional access and so is subject to examination along with new Claim 47, not withstanding the earlier restriction requirement. See the final clause of Claim 48, "wherein the combiner outputs the video signal with the watermark and with or without the data being present to the television receiver or video recorder in response to the conditional access control, whereby subsequent recording . . . is enabled with particular video recorders only if the data is present." Similar to Claim 47, this reads on Fig. 1C for instance with the ticket T being present or

not present, under control of the user, with the video V and watermark W as output from the set top box.

Again, neither Linnartz nor Callway contemplates this approach either in terms of a set top box or in terms of user control for determining whether the ticket is output with the video or not. Hence Claim 48 distinguishes over the references for at least the same reasons stated above as pertain to Claim 47 and so is allowable.

Further, the claims now dependent upon Claim 48 which are Claims 12-14 and 43, 44 and 46 are allowable for at least the same reason as base Claim 48.

CONCLUSION

In view of the above, all pending and non-withdrawn claims in this application are believed to be in immediate condition for allowance. Accordingly, the Examiner is respectfully requested to withdraw the outstanding rejection of the claims and to pass this application to issue. If it is determined that a telephone conference would expedite the prosecution of this application, the Examiner is invited to telephone the undersigned at the number given below.

In the event the U.S. Patent and Trademark Office determines that an extension and/or other relief is required, applicant petitions for any required relief including extensions of time and authorizes the Commissioner to charge the cost of such petitions and/or other fees due in connection with the filing of this document to Deposit Account No. 03-1952 referencing docket no.

<u>136922001900</u>.

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Respectfully submitted,

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